

Message Text

UNCLASSIFIED

PAGE 01 CANBER 05449 030845Z

ACTION EB-08

INFO OCT-01 EUR-12 EA-09 IO-14 ISO-00 AGRE-00 CIAE-00

COME-00 INR-07 LAB-04 NSAE-00 SP-02 STR-04

TRSE-00 FRB-01 OMB-01 /063 W

-----058423 031207Z /44

R 030707Z AUG 77

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 1037

INFO AMCONSUL BRISBANE

USMISSION GENEVA

AMCONSUL MELBOURNE

AMEMBASSY PARIS

AMCONSUL PERTH

AMCONSUL SYDNEY

UNCLAS CANBERRA 5449

MTN

USOECD

E.O. 11652: N/A

TAGS: ETRD, AS

SUBJ: INDUSTRIES ASSISTANCE COMMISSION RELEASES DRAFT

REPORTS ON TEXTILES, CLOTHING AND FOOTWEAR

REF: CANBERRA (A) 4699; (B) 3357; (C) 1047; (D) 0681 (E) 0109

1. SUMMARY: INDUSTRIES ASSISTANCE COMMISSION (IAC) HAS RELEASED ITS DRAFT REPORTS ON LONG-TERM ASSISTANCE TO THE TEXTILES, CLOTHING AND FOOTWEAR INDUSTRIES. IN PRINCIPLE, THE IAC HAS RECOMMENDED THAT

(A) IN THE LONG TERM, THE TEXTILES, CLOTHING AND FOOTWEAR INDUSTRIES BE NOT TREATED PREFERENTIALLY;

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CANBER 05449 030845Z

KB) PROTECTION PRESENTLY ACCORDED THESE INDUSTRIES BE PROGRESSIVELY REDUCED AT THE FASTEST RATE THAT CAN BE SUSTAINED WITHOUT CAUSING HARDSHIP FOR PEOPLE, REGIONS, AND FIRMS AFFECTED;

(C) THESE REDUCTIONS BE ACHIEVED BY PHASED REDUCTIONS IN EXISTING PROTECTION AND PROVISION OF SPECIAL ADJUSTMENT

ASSISTANCE MEASURES;

(D) THE PROGRAM FOR REDUCTIONS IN PROTECTION BE FLEXIBLE TO ALLOW MORE RAPID ADJUSTMENT IN PERIODS OF BUOYANT ECONOMIC ACTIVITY AND LESS RAPID ADJUSTMENT IN PERIODS OF ECONOMIC RECESSION. PUBLIC HEARINGS TO DISCUSS THE DRAFT REPORTS WILL COMMENCE IN APPROXIMATELY SIX WEEKS. END SUMMARY

2. RELEASE OF THE DRAFT REPORTS COME FOUR DAYS BEFORE PRIME MINISTER FRASER IS DUE TO LEAVE FOR TALKS WITH ASEAN LEADERS, WHERE IT IS EXPECTED HE WILL BE THE TARGET OF CRITICISM OF AUSTRALIAN TRADE BARRIERS.

3. REACTION FROM INDUSTRY LEADERS HAS BEEN OUTSPOKEN AND BITTER. PRESIDENT OF AUSTRALIAN CONFEDERATION OF APPAREL MANUFACTURERS STATED THAT THE REPORT "IS AN INVITATION TO THE GOVERNMENT TO JOIN THE COMMISSION IN A DANGEROUS EXPERIMENT WITH PEOPLE'S LIVES AND THE NATIONAL ECONOMY". THESE OUTCRIES LED THE MINISTER FOR INDUSTRY AND COMMERCE AND MINISTER FOR BUSINESS AND CONSUMER AFFAIRS TO ISSUE A JOINT PRESS RELEASE IN WHICH THEY STRESSED THAT THE DRAFT REPORT DOES NOT COMMIT THE GAO TO ANY SPECIFIC POLICIES FOR THESE INDUSTRIES.

4. MINISTERS' RELEASE READS IN PART... "GOVERNMENT WAS FULLY UNCLASSIFIED

UNCLASSIFIED

PAGE 03 CANBER 05449 030845Z

AWARE THAT DECISIONS ON THE NATURE AND LEVEL OF LONG-TERM ASSISTANCE FOR THESE INDUSTRIES WOULD HAVE A PROFOUND BEARING ON THE FUTURE WELLBEING OF INDUSTRIES EMPLOYING 120,000 AUSTRALIANS... ACCORDINGLY ANY DECISIONS ULTIMATELY TAKEN, MUST ONLY BE AFTER A MOST CAREFUL AND DETAILED EXAMINATION OF ALL SIGNIFICANT FACTORS INVOLVED ... THE COMMISSION'S DRAFT REPORT WOULD NOT INVOLVE ANY DEPARTURE FROM THE GOVERNMENT'S POSITION REGARDING THE SHORT-TERM ASSISTANCE REQUIREMENTS OF THESE INDUSTRIES OUTLINED ON THAT OCCASION.

5. IAC POINTED OUT THAT THE COSTS OF THE CONSUMER OF PROTECTING THESE INDUSTRIES HAS RISEN ALARMINGLY IN RECENT YEAR (AS MUCH AS ADOLDS 200 PER HOUSEHOLD IN 1975-76) AND THAT ITS RECOMMENDATIONS ARE IN ACCORD WITH GOA'S AIMS AS SET OUT IN THE WHITE PAPER ON MANUFACTURING TO ENCOURAGE FUTURE DEVELOPMENT IN THOSE AREAS WHICH HAVE THE BEST PROSPECT FOR EXPANSION WITHOUT THE NEED FOR EXCESSIVE SUPPORT FROM CONSUMERS OR TAXPAYERS. THE IAC FOUND THAT DESPITE THE ADDITIONAL SHORT-TERM ASSISTANCE, THE INDUSTRIES HAD CONTINUED TO DECLINE AND WHILE THE GOA'S MAIN CONCERN AT PRESENT IS UNEMPLOYMENT, THE IAC FELT THAT INDUSTRY PROTECTION IS NOT THE MOST EFFICIENT TOOL FOR SOLVING THE PROBLEM.

6. COMMENT: A DECISION ON THE LONG-TERM FUTURE OF THESE INDUSTRIES WILL NOT BE MADE BY GOA UNTIL COMPLETION OF THE IAC'S FINAL REPORT. HOWEVER, THERE WILL BE SOME HARD THINKING DONE BY GOA IN THE MEANTIME, PARTICULARLY RESPECTING IAC'S RECOMMENDATIONS ON STRUCTURAL ADJUSTMENT ASSISTANCE. GOA WILL FIND IT HARD TO JUSTIFY THE MAINTENANCE OF PRESENT LEVELS OF ASSISTANCE IN LIGHT OF DOCUMENTATION OF THE COST. ALSTON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, CLOTHING, FOOTWEAR
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CANBER05449
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770277-1353
Format: TEL
From: CANBERRA OECD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197708103/aaaadjib.tel
Line Count: 124
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0b95144f-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 CANBERRA 6
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 04-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1409232
Secure: OPEN
Status: NATIVE
Subject: INDUSTRIES ASSISTANCE COMMISSION RELEASES DRAFT REPORTS ON TEXTILES, CLOTHING AND FOOTWEAR
TAGS: ETRD, AS
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/0b95144f-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009